



Government of
Saskatchewan

Annual Report 1990-91

Tripartite Beef Administration Board



92-03674/

**Tripartite
Beef Administration Board
Annual Report
1990-91**

Office
The Imperial Centre
410 McDonald Street
Regina, Saskatchewan S4N 6E1





**Tripartite
Beef
Administration
Board**

The Imperial Centre
410 McDonald Street
Regina, Canada
S4N 6E1

(306) 787-8886
Toll Free: 1-800-667-7553

Tripartite Beef Administration Board

To Her Honour,
The Honourable Sylvia O. Fedoruk, O.C., S.O.M.
Lieutenant Governor
Province of Saskatchewan

Madam:

I have the honour to submit herewith the Annual
Report of the Tripartite Beef Administration Board
for the seven months ending March 31, 1991.

I have the honour to be, Madam,
Your obedient servant,

Honourable Bernhard H. Wiens
Minister of Agriculture and Food



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Tripartite Beef Administration Board

Honourable Bernhard H. Wiens
Minister of Agriculture and Food
Province of Saskatchewan

Sir:

I am pleased to present herewith the Annual
Report of the Tripartite Beef Administration Board
for the seven months ending March 31, 1991.

Respectfully submitted,
Lynn Grant, Chairman
Tripartite Beef Administration Board



**Tripartite
Beef
Administration
Board**

Board Personnel 1990-91

Board of Directors

Mr. Lynn Grant, Chairman	Val Marie
Mr. Brian Perkins	Saskatoon
Mr. Bob Brady	Carlyle
Mr. Keith Howse	Pangman
Mr. Jim McGregor	Senlac

Senior Staff

Wes Mazer	General Manager
Lorraine Forsyth	Manager, Finance & Administration
Brian Webb	Programs Administrator
Randy Johnson	Manager, Information Systems

The Board employed a total of 25 full-time and temporary staff as of March 31, 1991.



1990 - 1991 Report

The Tripartite Beef Administration Board was established on September 1, 1990 to administer the beef and honey options of the National Tripartite Stabilization Program. Prior to September 1, 1990 these programs were administered by the Saskatchewan Beef Stabilization Board.

National Tripartite Stabilization Programs

The National Tripartite Stabilization Programs were established by federal/provincial agreements. The programs have been implemented for the purpose of stabilizing market returns to producers.

The Beef and Honey programs are based on the following principles:

- All producers enrolled in a program shall receive the same level of support per unit of marketed production.
- Premiums will be shared by the Government of Canada, the Governments of participating provinces and participating producers.
- Producer participation is voluntary.
- The programs are designed to be actuarially sound.
- The programs should operate at a level that limits losses but does not stimulate production.
- A comparable level of support will be provided in all tripartite stabilization commodity plans.

NATIONAL COMMITTEE STRUCTURE

The National Committee has equal representation from Federal and Provincial Governments and producer associations. Representation on the committee rotates among all participating provinces. All participants in the plan will be represented over the life of the plan.

In 1990-91 the Saskatchewan producer representatives on the beef and honey National Committees were Ian Thompson and Calvin Parsons respectively.

SUPPORT CALCULATIONS

Honey

The support price for honey is based on an indexed moving average price (IMAP). This is the national average price over the preceding seven years, adjusted for inflation. The support price is set at 90% of the IMAP. The percentage of IMAP may be changed at the discretion of the Committee as needed to keep the plan financially self-sustaining over time but it shall not exceed 90%.

Cow-Calf Plan

The support level is based on 85% of the indexed moving average price (IMAP). The IMAP is the national average selling price of calves in the preceding ten years adjusted for inflation. The national average selling price of calves is the price of steer and heifer calves at representative markets selected by the committee. The national average price is calculated by weighting the average price at the public stockyards by the distribution of beef cow numbers. Support payments will be issued for any year that the national average selling price falls below the support level and will equal the difference between the two.

Feeder - Slaughter

The support level for feeder cattle equals the estimated national current cash costs of production in the month plus 85% of the difference between the national average cost of production and selling price of heavy feeder cattle in the same month for the preceding five years. This is called the guaranteed margin approach. The national cash costs of production are calculated from production models for raising long-keep heifers and steers weighted by the number of feeder cattle marketed across Canada. The national average selling price is the average price of heavy feeder heifers and steers in regionally representative markets selected by the Committee and weighted by the number of cattle sold in the various regions of Canada.

The support level for slaughter cattle is calculated in a similar manner except that the national cash costs of production are estimated from production models for raising short-keep and long-keep heifers and steers weighted by the number of federally and provincially inspected heifers and steers slaughtered in eastern and western Canada. The national average selling price is the average price for all cattle grading A, B and C Beef in regionally representative markets selected by the Stabilization Committee and weighted by the number of heifers and steers slaughtered in various regions in Canada.

After the end of each quarter, the Stabilization Committee announces the support level for feeder and slaughter cattle for each month of the quarter. Stabilization payments are triggered in any month the national average selling price falls below the support level.

Operations 1990 - 1991

Administration

The entrance of Saskatchewan into the National Tripartite Stabilization Program for Beef and Honey required new administrative procedures to be developed, including computer software. To enhance administration of the program, an in-house software package was developed. The new software operates on a Local Area Network providing timely information to all users.

In 1990-91 the Board continued its efforts in keeping producers informed of program changes. In addition to newsletters and mailouts, staff conducted a series of meetings with producers and extension agrologists. Emphasis was given to explaining the intricacies of Tripartite and the different options available. Advertising directed at attracting new clients for the program was initiated.

Compliance

In 1990-91, honey and cow-calf audits were conducted. The audits included a count of the producer's inventory. This count was then reconciled to the inventory reported on the registration forms. The purpose of the audits is to ensure the information producers report is accurate and National Tripartite Stabilization Program regulations are adhered to.

Program Statistics

A. Tripartite Premiums and Stabilization Payments

Slaughter Option				
Qtr/Yr	Premium Rate/ Head	Payout Per Head		
		Month 1	Month 2	Month 3
Q2 90	\$8.10	\$0.00	\$10.23	\$0.00
Q3 90	\$8.10	\$0.00	\$0.00	\$0.00
Q4 90	\$8.10	\$0.00	\$0.00	\$0.00
Q1 91	\$8.10	\$0.00	\$0.00	\$0.00

Cow Calf Option		
Year	Premium Per Head	Payout/ Head
1990	\$9.00	\$0.00

Feeder Option				
Qtr/Yr	Premium Rate/ Head	Payout Per Head		
		Month 1	Month 2	Month 3
Q2 90	\$4.85	\$0.00	\$0.00	\$0.00
Q3 90	\$4.85	\$0.00	\$0.00	\$0.00
Q4 90	\$5.50	\$0.00	\$0.00	\$0.00
Q1 91	\$5.50	\$0.00	\$0.00	\$0.00

Honey Plan		
Year	Premium Per lb.	Payout Per lb.
1989	\$0.014	\$0.0478
1990	\$0.015	\$0.00

B. Enrollment Information

Feeder/Slaughter				Cow Calf		
	1990/91	1989/90			1990	1989
Producers Enrolled	1,579	1,730		Producers Enrolled	1,508	1,712
Total Animals Enrolled	180,955	223,577		Total Cows Enrolled	88,457	102,258
Total Eligible Sales	170,312	110,989				

Honey Plan					
Year	Active Enrollments	Total NTSP Sales (Pounds)	Total NTSP Production (Pounds)	Total Sask. Production (Pounds)	% Enrolled in NTSP
1989	133	11,510,396	8,925,401	13,000,000	68.66
1990	115	10,033,185	10,325,618	14,880,000	69.39



**Tripartite
Beef
Administration
Board**

Tripartite Beef Administration Board

Financial Statements For the period September 1, 1990, Date of Establishment, to March 31, 1991

Office of the Provincial Auditor
Regina, Saskatchewan



Auditor's Report

To the Members of the Legislative Assembly of
Saskatchewan

I have audited the balance sheet of the Tripartite Beef Administration Board as at March 31, 1991 and the statement of revenue, expenditure and surplus, for the period September 1, 1990, date of establishment, to March 31, 1991. These financial statements are the responsibility of the Board's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Board as at March 31, 1991 and the results of its operations and the changes in its financial position for the period September 1, 1990, date of establishment, to March 31, 1991 in accordance with the accounting principles disclosed in Note 1 to the financial statements.

W.K. Strelloff

Regina, Saskatchewan
July 15, 1991

W.K. Strelloff, C.A.,
Provincial Auditor

Statement 1

**Tripartite Beef Administration Board
Balance Sheet**

As at March 31, 1991

Assets

Current assets:		
Cash		\$ 754,743
Accounts receivable:		
- Due from Saskatchewan Agriculture and Food	\$ 113,303	
- Accrued interest	12,385	
- Miscellaneous	<u>17,447</u>	<u>143,135</u>
		897,878
Fixed assets (Notes 1(b) and 3)		177,016
Tripartite Stabilization Trust Fund Assets:		
Cash	1,256,895	
Accounts receivable:		
- Producers (net of allowance)	<u>254,560</u>	<u>1,511,455</u>
		<u>\$2,586,349</u>

Liabilities and Equity

Current liabilities:		
Accounts payable		\$ 60,625
Deferred revenue		362,622
Due to Saskatchewan Beef Stabilization Board		<u>474,631</u>
		897,878
Tripartite Stabilization Trust Fund Liabilities:		
Agricultural Stabilization Board	\$1,499,688	
Other	<u>11,767</u>	<u>1,511,455</u>
Equity:		
Equity in Fixed Assets		<u>177,016</u>
		<u>\$2,586,349</u>

(See accompanying notes to the financial statements)

Statement 2

**Tripartite Beef Administration Board
Statement of Revenue, Expenditure and Surplus
For the Period September 1, 1990,
Date of Establishment, to March 31, 1991**

Revenue:	
Interest	\$ 82,847
Department of Agriculture and Food - administration grant	<u>801,872</u>
	<u>884,719</u>
Expenditure:	
Salaries and employee benefits	462,512
Capital expenditures	181,886
Office supplies	77,268
Computer services	76,366
Communications	26,524
Computer maintenance	11,841
Compliance per diem and travel	9,546
Repairs and maintenance	6,011
Staff development	5,922
Legal	5,735
Directors' honoraria and travel	5,270
Travel and sustenance	4,643
Advertising and promotion	3,999
Relocation expense	3,167
Delivery	2,214
Insurance	1,732
Miscellaneous	83
	<u>884,719</u>
Excess of revenue over expenditure	<u>\$ —</u>

(See accompanying notes to the financial statements)

Tripartite Beef Administration Board
Notes to the Financial Statements
March 31, 1991

1. Significant Accounting Policies

These financial statements have been prepared in accordance with accounting policies that are considered appropriate for organizations of this type. The significant accounting policies are as follows:

(a) **Accrual Accounting**

The financial statements are prepared on the accrual basis of accounting.

(b) **Fixed Assets**

Equipment, leasehold improvements, computer software, computer software development costs and computer hardware are expensed in the year they are acquired. Fixed assets and equity in fixed assets are recorded on the balance sheet at cost and no depreciation is recorded; maintenance and repairs are charged against operations as incurred.

(c) **Tripartite Stabilization Trust Fund**

The Tripartite Stabilization Trust Fund was established to collect premiums from producers and forward the funds to the Federal Agricultural Stabilization Board. Premium receivables are recorded on the date they become payable to the Board.

2. Incorporation

The Tripartite Beef Administration Board was established under the provisions of The Farm Financial Stability Act to administer the National Tripartite Honey and Beef Stabilization Programs as of September 1, 1990. The National Tripartite Honey and Beef Stabilization Programs were formerly administered by The Saskatchewan Beef Stabilization Board.

3. Fixed Assets and Equity in Fixed Assets

The additions and disposals are as follows:

	1991 Additions	1991 Disposals	1991 Equity
Office equipment	\$ 38,373	\$4,871	\$ 33,502
Leasehold improvements	12,557	—	12,557
Computer hardware	98,096	—	98,096
Computer software	<u>32,861</u>	<u>—</u>	<u>32,861</u>
	<u>\$181,887</u>	<u>\$4,871</u>	<u>\$177,016</u>

4. Related Party Transactions

- (a) Included in these financial statements are income and expense amounts resulting from routine operating transactions conducted at prevailing market prices with various Saskatchewan-controlled departments, agencies and corporations with which the Board is related.

Account balances resulting from these transactions are included on the balance sheet and are settled on normal trade terms.

- (b) **Costs borne by other agencies**

The Board has not been charged with certain occupancy costs and no provision for these costs is shown in the financial statements.